

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will proceed to a period of morning business for up to 1 hour, with Senators permitted to speak therein for up to 10 minutes each, with the time equally divided and controlled between the two leaders or their designees, with the majority controlling the first half and the Republicans controlling the final half.

The ACTING PRESIDENT pro tempore. The Senator from Washington.

AWARDING OF DEFENSE CONTRACTS

Mrs. MURRAY. Mr. President, last week the Defense Secretary took historic action by forcing out both the Air Force Secretary, Michael Wynne, and its Chief of Staff, Michael Moseley. It was the first time ever that a Defense Secretary has simultaneously dismissed a service secretary and a service chief, and he did so after finding systemic problems in the Air Force that led him to have a serious lack of confidence in their leadership and oversight.

I have come to the floor today because Secretary Gates's move raises red flags about many of the Air Force's recent actions, including the decision to award a \$35 billion contract to build the next generation of aerial refueling tankers to the European company Airbus instead of Boeing. This is one of the largest contracts in history, and it is critically important. Our tankers refuel planes and aircraft from every single branch of our military. As long as we control the technology to build them, we control our skies and we control our own security. So I was astounded when the Air Force announced in February that it would award this contract to Airbus, and here is why.

Airbus and its parent company, European Aeronautic Defense and Space, or EADS, have made no secret of their desire to dismantle the U.S. aerospace industry, and we have seen time and again that Europe is willing to try anything in order to do that. EADS is so flooded with subsidies from the European Union that we, the United States, have accused the EU of illegal business practices before the World Trade Organization. EADS has lied repeatedly about its contribution to the U.S. economy, and EADS has given us more than one reason to question how hard it will work to protect our security interests.

Given this history, I have asked repeatedly over the last 3 months that Air Force leaders explain how they came to their decision. After all, the Air Force is well aware of these concerns, and I believe the American taxpayers deserve answers. But I have been stonewalled again and again. As the Pentagon moves to restore its leadership in the Air Force, I hope we will finally get some answers.

Let me begin today by talking about the unfair trade practices that led the

United States to challenge Europe at the World Trade Organization.

Back in 1970, several European governments created Airbus to challenge our country's aerospace dominance. But unlike Boeing, which is a private business operating in a free-market system, Airbus followed the corporate welfare model. Europe views Airbus as a jobs program, and it is willing to provide subsidies no matter what, even if they lose money and even if their products fail. That means Airbus can grow without having to assume the same kind of risk American companies do.

The U.S. Trade Representative is so concerned that this has created an uneven playing field that we have demanded that Europe stop the subsidies and play by the rules. As I said earlier, because of Europe's illegal tactics, our Government now has a WTO case pending against the EU. So I think it would make absolutely no sense that we would on the one hand haul Airbus before an international dispute settlement organization while on the other hand award it one of the largest defense contracts in history, a contract that will make it a major U.S. defense supplier for decades and further erode the American aerospace industry. It is as if you caught a thief in the act of stealing your car, but instead of turning him in, you hand him the keys and you give him your wallet too.

It is not just a matter of one government branch contradicting another. It was that illegal system that allowed Airbus to develop the A330. Airbus's tanker received millions of dollars in launch aid, which significantly reduced its production costs. Europe is now unfairly using that break to get into our defense industry. The result could be significant permanent harm to our aerospace industry.

Boeing spent decades developing the technology and training the workforce to supply our military tankers. Boeing has made American refueling tankers now for more than 50 years. Our workers have made them with pride because they know they help to fortify our military strength. But with this Air Force decision, we are letting all of that slip away. Once our workers move on to something else, we just can't recreate this industry overnight. So I think we, as a Congress and as a nation, need to think long and hard about whether that is the best decision for our national security.

But it isn't just Europe's record of subsidizing EADS that I am concerned about. EADS and Airbus also have a long history of creating slick marketing campaigns that distort their contribution to our economy. So I want to turn to that next because I fear EADS is being less than honest about its plans to create jobs with this tanker contract.

Five years ago, when Airbus was first working to unravel Boeing's tanker contract, Airbus and EADS hired a small army of PR specialists to assert to us that their business was good for America.

As you can imagine, I was skeptical so I asked the Commerce Department to investigate their claims, and guess what they found. They found that Airbus's numbers were hugely inflated. Airbus claimed it had created 100,000 American jobs, but after looking into it the Commerce Department found the real number was 500. Airbus said it contracted with 800 U.S. firms. The Commerce Department found it was 250.

Then Airbus did something funny—it decreased the number of contracts it said it made from 800 down to 300, and then it increased the alleged value of those contracts from \$5 billion to \$6 billion a year.

As I said at the time, you cannot trust Airbus's funny numbers. The same is true today. When you scrutinize the facts, Airbus's numbers do not hold up. This time, Airbus says it will finish these tankers here in the United States at a factory in Alabama. But there is no plant in Alabama. It has not been built and there are no workers yet hired.

Economists are now saying we are actually going to lose jobs if Airbus supplies our tankers. A study last week by the nonpartisan Economic Policy Institute shows that Boeing would create at least twice as many American jobs as Airbus. In other words, we stand to lose as many as 14,000 jobs here in the United States with this Air Force contract to Airbus. I cannot think of a worse time for our Nation to have this decision. Last month our country saw the biggest increase in unemployment in more than two decades, and that was on top of the mortgage and credit crisis and the skyrocketing gas prices we have been hearing about this morning.

The Air Force said it did not have to consider jobs when it considered Airbus's bid, so it has not even tried to justify that decision. But I believe that as Members of Congress who represent the American people, we have a responsibility to look long and hard at whether this contract is in the best interests of America, its workers, and its economy—especially at a time when our families are struggling to get by.

Finally, I have some very serious concerns about giving a company owned by foreign governments control over our military technology. Airbus and EADS have given us plenty of reason to worry about how hard they might work to protect our security interests. Let me give a couple of examples. In 2005, EADS was caught trying to sell military helicopters to Iran. Despite our concern about Iran's support of terrorists in Iraq and despite their efforts to develop nuclear weapons, they were caught trying to sell military helicopters to Iran. In 2006, EADS tried to sell C-295 and CN-235 transport and patrol planes to Venezuela. That is a circumvention of United States law.

As with the other questions I have raised today, I have repeatedly asked the Air Force whether we, the United States, can trust a foreign company to